

HOUSE BILL 3800

By Tindell

AN ACT to amend Tennessee Code Annotated, Title 12,
Chapter 3, Part 8; Title 12, Chapter 4, Part 1 and
Title 12, Chapter 4, Part 8, relative to preferences.

WHEREAS, the revised labor force estimates published for September 2011 stated that the unemployment rate of twenty-nine counties in Tennessee equaled 12% or greater; and

WHEREAS, such estimates stated that the unemployment rate in Lauderdale County was 14.4%; the unemployment rate in Obion County was 16.9%; the unemployment rate in Perry County was 14.1%; the unemployment rate in Scott County was 19.5%; and the unemployment rate in Weakley County was 15.1%; and

WHEREAS, each tax dollar spent in purchasing goods and products produced or grown in Tennessee and procuring services provided by Tennessee bidders can reduce unemployment and increase productivity and thus tax revenues in Tennessee; now, therefore,
BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Section 12-4-121, is amended by deleting the section in its entirety and by substituting instead the following:

12-4-121.

(a) For the purposes of this section:

(1) "Agricultural products" includes, but is not limited to:

(A) Textiles and other similar products; and

(B) Tennessee vegetation native to the region, including plants,
for landscaping purposes; and

(2) "Tennessee bidder" means a business:

(A) Incorporated in this state;

(B) That has its principal place of business in this state; or

(C) That has an established physical presence in this state.

(b) Notwithstanding any other provision of law to the contrary, all departments and agencies:

(1) Making purchases of goods, including agricultural products, shall give preference to goods produced or grown in this state or offered by Tennessee bidders if:

(A) The goods meet state requirements and the quality of such goods is equal to that of goods produced or grown outside of this state or offered by a bidder that is not a Tennessee bidder, and

(B) The cost of the goods does not exceed the cost of goods produced or grown outside of this state or offered by a bidder that is not a Tennessee bidder by more than five percent (5%).

(2) Procuring services shall give preference to services offered by a Tennessee bidder if:

(A) The services meet state requirements regarding the service to be performed and expected quality; and

(B) The cost of the service does not exceed the cost of other similar services of similar expected quality that are not offered by a Tennessee bidder by more than five percent (5%).

(c) Notwithstanding any other provision of law to the contrary, all departments and agencies making purchases of goods, including agricultural products, shall give preference to those produced or grown in this state or offered by Tennessee bidders as follows:

(1) Goods produced in this state or offered by Tennessee bidders shall equally be given preference; and

(2) Agricultural products grown in this state shall be given first preference and agricultural products offered by Tennessee bidders shall be given second preference, if the quality of such products is equal.

(d) If goods, including agricultural products, produced or grown in this state or offered by Tennessee bidders do not meet the specifications of subdivision (b)(1), then goods, including agricultural products, produced or grown in other states of the United States shall be given preference over foreign products if:

(1) The goods meet state requirements and the quality of such goods is equal to that of goods produced or grown outside of the United States, and

(2) The cost of the goods does not exceed the cost of goods produced or grown outside of the United States by more than five percent (5%).

(e) If application of this section to a purchase or procurement conflicts with federal law or will prevent the receipt of federal funds, then this section shall not apply to such purchase or procurement.

SECTION 2. This act shall take effect upon becoming a law, the public welfare requiring it.